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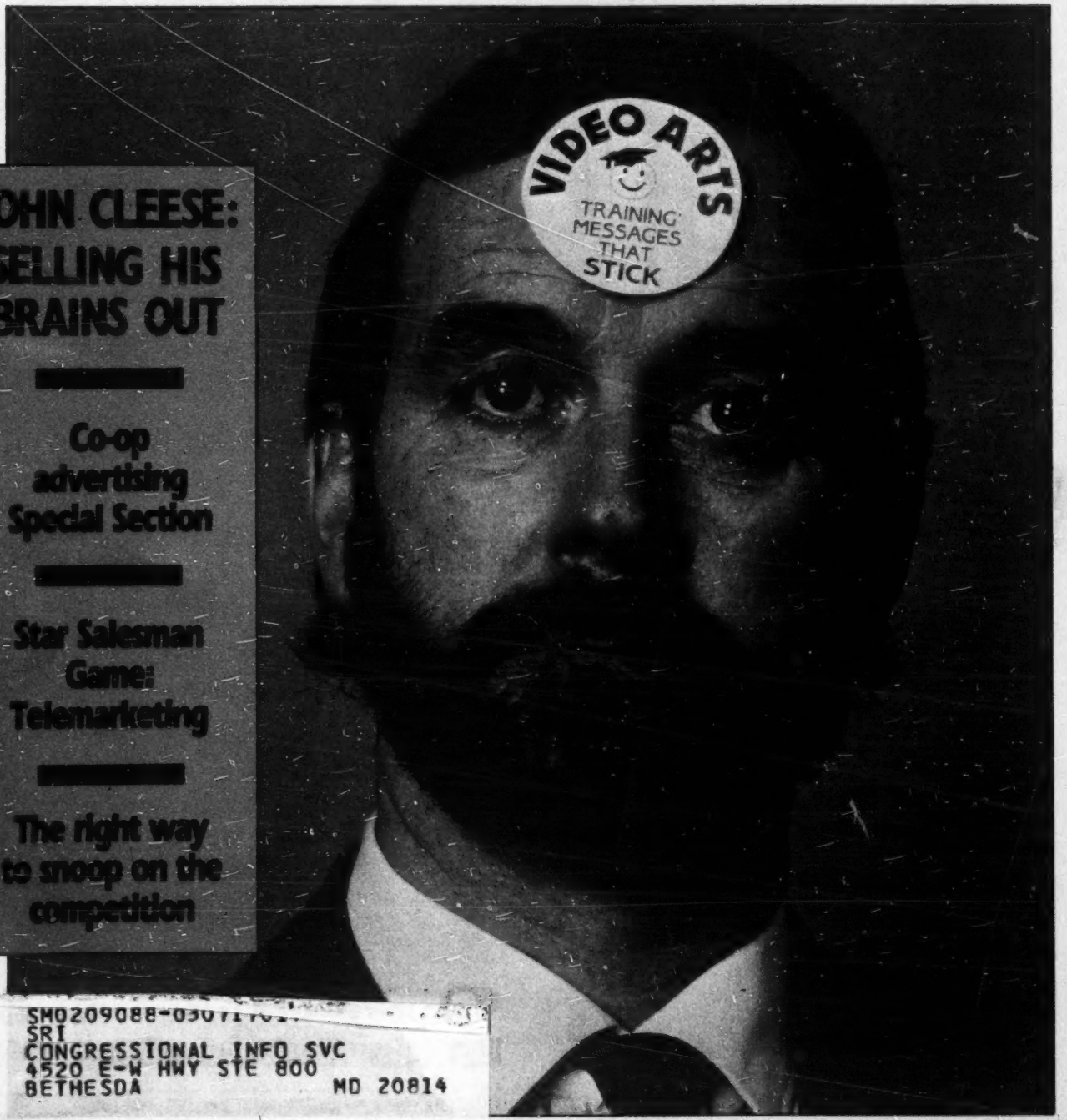
Sales and Marketing MANAGEMENT



JOHN CLEESE: SELLING HIS BRAINS OUT

Co-op advertising Special Section

Star Salesman Game: Telemarketing

The right way to snoop on the competition

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ABP BPA ABC MPA

Apple's sales or marketing departments.

Apple will also beef up and change its dealer support program. A co-op advertising plan will be replaced by an Apple Fund that will contribute toward co-op as well as a variety of dealer market development efforts, such as direct mail, telemarketing, and seminars. Apple will put $15 million–$20 million into the fund, according to reports in the computer press.

Communicating

TV network for salespeople

When the Federal Communications Commission ruled in 1983 that holders of microwave educational channels could move into for-profit business, New Trier Township Television came up with an idea that they are convinced will sell to the business community.

Owner of four of these stations in the Chicago area, New Trier is pounding the corporate pavement looking for companies that would be interested in developing a new way to communicate with branch offices, sales agents, or franchisees.

"It is a unique and economical way of talking with business colleagues or customers," says Jack Spatafora, a New Trier executive who is working on the proposed business network, which will be called Educom. "We see a number of scenarios. Professionals like lawyers, certified public accountants, or doctors will be able to tune in from their offices for program tapes they might normally have to get through a meeting at a hotel. Or, for example, a bank would use the service to talk to its branch offices."

Spatafora dismisses notions that creating a market for this type of service may be difficult, saying he already has keen interest from a number of Chicago companies, in-

S&MM salesgraph

Retailing 1985: crosscurrents in the leisure area

Electronics are in; liquor is out. That's how consumer spending shaped up in retail stores last year, an analysis of new Census Bureau data reveals. Total retail sales climbed 6.3%, which, after allowing for a 2.1% increase in commodity prices and a 1.4% rise in population, implies that the physical volume of goods moving out the door rose 3%. Because consumers enjoyed record employment and income last year, durable goods sales dramatically outraced nondurables, 10.4% vs. 3.9%. A 13.2% upsurge in auto dealer sales helped.

The big news in the Bureau's report is how consumers spent their leisure dollars. Radio-TV outlets scored the heftiest gain, a sizzling 18.7%, among the store types covered in the report. That's all the more remarkable when you factor in a 5% price drop for their products, implying a robust 24% boost in tonnage. VCRs, of course, played a strong role.

Meanwhile, liquor store sales fell 2.2%, drinking places sales dipped 1.1%. In the face of price increases of 2.7% and 5.7%, respectively, that implies volume falloffs of 5%–7%.

How retailers fared in 1985

Store Type	1985 ($Mil. $)	% Change 1984–85
Total retail sales	**$1,373,941**	**+ 6.3%**
DURABLE GOODS	**514,307**	**+10.4**
Building materials, hardware, garden supplies, & mobile homes	74,062	+ 6.6
Building materials & garden supplies	53,841	+ 7.7
Hardware	11,092	+ 8.8
Automotive dealers	312,793	+12.3
Motor vehicle & misc. auto dealers	288,428	+13.2
Auto & home supplies	24,365	+ 2.3
Furniture, home furnishings & equip.	68,112	+10.1
Furniture & home furnishings	36,923	+ 5.6
Furniture	22,915	+ 3.5
Household appliances & radio-TV	26,234	+16.0
Household appliances	8,572	+10.7
Radio-TV	17,662	+18.7
Jewelry	11,206	+ 8.7
NONDURABLES	**859,734**	**+ 3.9**
General merchandising group	159,456	+ 4.3
Department & misc. general merchandise	150,557	+ 4.7
Department	134,744	+ 4.3
Misc. general merchandise	15,813	+ 7.1
Variety	8,899	– 2.2
Food	282,198	+ 4.4
Gas service stations	100,787	+ 1.3
Apparel & accessory	69,673	+ 7.0
Men's & boys' clothing	8,336	+ 0.1
Women's clothing	29,121	+ 7.5
Women's ready-to-wear	25,875	+ 5.8
Family clothing	18,332	+10.5
Shoe	10,857	+ 5.1
Eating & drinking places	131,035	+ 5.2
Eating places	121,202	+ 5.8
Drinking places	9,833	– 1.1
Drug & proprietary	45,014	+ 6.6
Liquor	17,802	– 2.0
Nonretailers	26,950	+ 2.2
Mail order	4,550	– 7.5

Note: Component details may not add up to group totals because of excluded categories.
Source: Census Bureau, *Revised Monthly Retail Sales and Inventories: Jan. 1978 through Dec. 1985, BR-13-85S.*
*Sales and Marketing Management.

Anatomy of a star salesperson

A study helps answer a question that 80 out of 100 sales managers couldn't: What's the difference between your high and moderate sales performers?

By THAYER C. TAYLOR
Senior Editor/Management Sciences

"Planning and strategizing are time-consuming, but if I don't do it, I'll waste my customer's time."

"Planning is good, but it takes too much time."

"Understanding my customer and his organization is even more important than understanding my product."

"I've got my pitch down pat now. When I meet any prospects, I use the same words, and it really works most of the time."

Those are four salespeople talking—two high performers (boldface quotes) who are attuned to today's complex, competitive, customer-oriented selling environment, and two moderate performers who are today's Willy Lomans. While the contrast between the two types seems obvious, identifying them can be difficult.

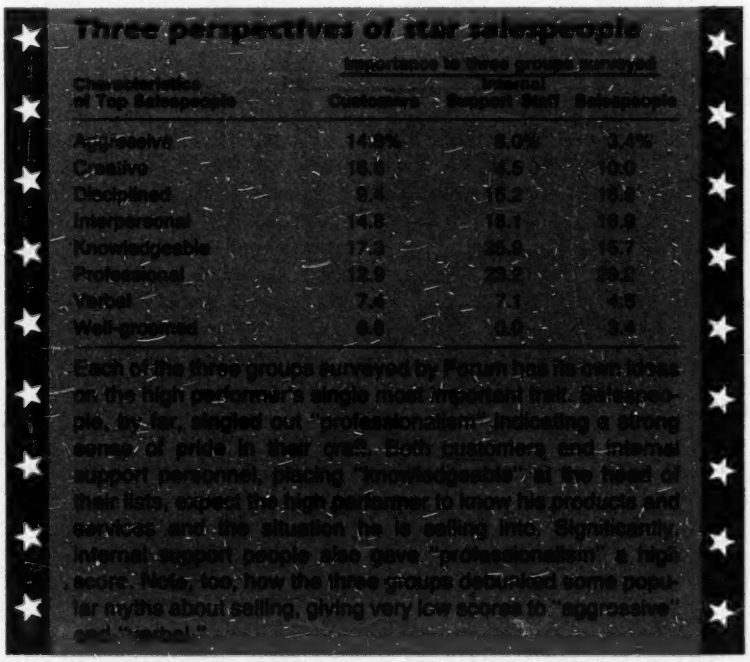
Diane Hessan, vice president of Forum, the Boston-based sales training specialists, recalls that when she asked 100 sales managers in Fortune 500 firms to spell out the differences between their high and moderate sales performers, "about 80 percent couldn't answer. A typical reply was, 'Gee, I don't know, but when you find out I'd love to know.' "

While Hessan may be making the consultant's standard over-statement to justify her service, there's no denying marketers are under increasing pressures to identify and develop high performers. Hessan cites the pressures as costs, competition, and complexity.

Since 1980, cost-per-sales-call has almost doubled, from $72.65 to $131.40, according to *Sales and Marketing Management's 1986 Survey of Selling Costs*. By the end of the decade, if that rate continues, the cost will nudge $240.00.

Competition is sharpening, Hessan says, "because deregulation brings in lots of nontraditional competition, more international firms are moving into U.S. markets, and the rate of product obsolescence is quickening." Selling is more complex, says Forum president Richard C. Whiteley, because "customers are smarter and expect more from the salesperson. A lot more decision-makers are involved, which stretches out the time frame between the first call and the order."

Based on studies begun in 1982, Forum researchers think they have a handle on what makes high performers tick. In the first phase, three groups—customers, internal support staffs, and salespeople—were surveyed on the practices of high- and moderate-performing salespeople. In the second phase,



Three perspectives of star salespeople

Characteristics of Top Salespeople	Importance to three groups surveyed		
	Customers	Internal Support Staff	Salespeople
Aggressive	14.9%	8.0%	3.4%
Creative	16.6	4.5	10.0
Disciplined	9.4	15.2	16.8
Interpersonal	14.8	18.1	10.9
Knowledgeable	17.2	35.9	15.7
Professional	12.9	23.2	29.2
Verbal	7.4	7.1	4.5
Well-groomed	6.8	0.0	9.4

Each of the three groups surveyed by Forum has its own idea of the high performer's single most important trait. Salespeople, by far, singled out "professionalism," indicating a strong sense of pride in their craft. Both customers and internal support personnel, placing "knowledgeable" at the head of their lists, expect the high performer to know his products and services and the situation he is selling into. Significantly, internal support people also gave "professionalism" a high score. Note, too, how the three groups debunked some popular myths about selling, giving very low scores to "aggressive" and "verbal."

continuing today, customers are regularly polled on what the first survey revealed.

Briefly, Forum's research identifies four clusters of practices that characterize high-performing salespeople. Such reps:

- "Maintain two-way advocacy, representing the interests of their companies and their clients with equal skill."
- "Bring added value to the sales task with their greater enthusiasm, more sensitive interpersonal skills, and sense of professionalism."
- "Are committed to the sales process as an 'art form,' a way of life. High performers recognize the value of the sales process to the customer, and take the initiative in doing what is in the client's best interests."
- "Tend to intellectualize the sales process, actively planning and developing strategies that will maximize their impact on the customers' time and provide for efficient internal support relationships."

Customer orientation, obviously, is the high performer's big trait.

This requires a new mindset for many salespeople. "Yesterday, the high performer was knowledgeable in terms of what he needed to know to sell against his competition," says Mack Hanan, president, Greenhouse Group, New York City-based management consultants. "Today, he's knowledgeable in what's needed to sell into the customer. The high performer's most important trait is that he immerses himself in the customer's business and industry, gains wide access through multiple contacts, and becomes more knowledgeable in terms of what he is selling into."

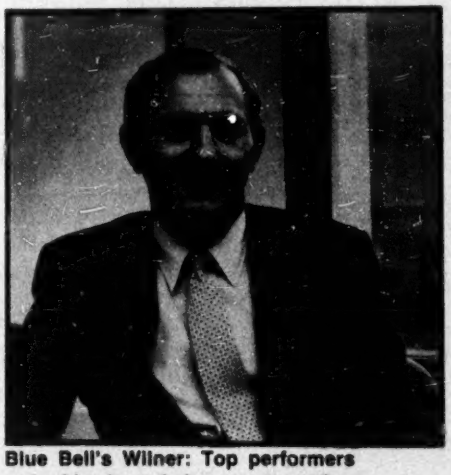
The customer focus is equally important in both consumer and industrial goods marketing, as S&MM found when it asked the opinions of executives at companies known for their strong sales organizations. In the consumer area, Ronald W. Tidmore, president of Pepsi-Cola USA's foodservice division, Purchase, NY, says his high performers "have a strong customer orientation and approach their business from an understanding of the role our products play in the customer's business. No one goes to a Burger King to buy a soft drink, but it is important that a quality soft drink be available when someone comes in to buy a Whopper."

To Mary Edwards, sales development manager at Levi Strauss in San Francisco, her company's high performers' "ability to establish human contact with customers is critical because selling is a people business. That involves being dependable, following through, and having integrity."

In the industrial area, high performers at Rolm, the Santa Clara, CA, susbidiary of IBM, "make it a point to understand customer needs and goals before they pull anything out of their product bag," says marketing director Nick Tuttle. "Such salespeople spend the time needed to get an in-depth knowledge of the customer's business, asking questions that will lead to solutions our systems can address."

Neil Henderson, marketing director at Chromizing, a division of Chromalloy based in Gardena, CA, sees his high performers having the "ability to listen to the customer and recognize his needs—then communicating those needs to the company with a sense of importance and doing the follow up with a sense of urgency."

While agreeing with the customer emphasis, James H. Huguet, president, The Northeastern Organiza-



Blue Bell's Wilner: Top performers make friends at their own companies.

tion, Trumbull, CT, sales consultants, cautions against "the last outpost syndrome, where remotely located salespeople come to relate more to the client and forget whom they're working for. It's a delicate balance that must be watched constantly."

Although Forum's profile stresses trainable professional skills, some marketers put a premium on personality traits. Eastman Kodak, Rochester, NY, looks for four "nontrainable qualities" when recruiting potential high performers, says Ted McGrath, vice president and manager, consumer products division. "They are: One, Self-confidence: A good salesperson is not modest; Two, Job commitment: Not afraid to get his hands dirty to get a job done; Three, Persistence: Always finds another reason for going back when a customer says no; and Four, Initiative in solving problems, gathering information, and asking direct questions."

"High performers can be described in one word: enthusiasm," says Robert Mueller, general manager of Motorola's government markets division, Schaumburg, IL. "Enthusiasm about his products and services, his company, his job, his career, and getting the customer enthused." To Jack Wilner, sales training director of Blue Bell's Wrangler division, Greensboro, NC, "the high performer has the ability to get along not just with his customers but with customer-related people in our company: manufacturing, marketing, service, and his peers."

The second phase of Forum's ongoing research, president Whiteley says, pivots on the high performer's effective use of nonselling time and the increasing importance of internal support functions. "If he spends 70 percent of his time in nonselling activities," Whiteley says, "the more he plans and strategizes, the greater leverage he has when he's face to face with the buyer. That's the time he plans how to manage his time and territory, identifies accounts with the greatest potential payoff, and strategizes what the buying process will involve and what is likely to motivate a favorable decision."

That view is supported by Mel Ingold, manager of management development, American Hospital Supply, Evanston, IL. "Our high performers look at their business strategically," he says, "and ask themselves, 'How do I get the best return on my time investment?' That comes from planning and strategizing and avoiding getting bogged down with things like 'I must see 8 class A customers and 12 class B customers this week.' "

John Knopp, regional field development-program manager, Hewlett-Packard, Palo Alto, CA, points to another critical use of nonselling time. "Two traits characterize our high performers," he says. "One, they know how to get special things done for the customer inside or outside the system. When something has to be done outside of normal policies and practices, they find a way to get it done smoothly. Two, they always know where they stand in terms of their performance, stage in the sales cycle, and positioning with the customer."

As knowledge about the customer's business and industry becomes more important to the high performer, internal support functions are marshalled to feed him the necessary information inputs. "The stand-alone high performer is a fading breed," Forum's Whiteley says, "as companies move toward more team action. The implication is that, because the salesperson can no longer have complete mastery of his products, he has to capture the account by bringing in additional resources.

"In one of our studies, the customer told us the superior salesperson stood out from the moderate on the basis of his product knowledge. But when we probed deeper, it turned out that the high performer, because of his knowledge of the customer's situation, brought in the proper support resources. He was the better orchestrator." S&MM

Pepsi's Tidmore: A "strong customer orientation" is critical.

Travellers' NETWORK

By GERALD A. MICHAELSON

This new department's objectives: ☐To exchange among fellow travellers the good deals we find. ☐ To search out ways to beat the system. ☐ To take no adversity too seriously.

The tally is in

Many thanks to the 200-plus readers who responded to the questionnaire in our January column. Three-quarters of the networkers responding averaged more than one night a week out of town, with 35% gone more than two nights. And a whopping 85% said they keep all of their frequent traveller awards for their personal use. This month, we'll concentrate on hotels. Here is how S&MM readers rate the hotel chains they stay at frequently:

Chain	Good	Average	Bad
The Top Five			
Westin	91%	7%	2%
Embassy*	88	12	—
Hyatt	84	15	1
Marriott	80	19	1
Intercontinental*	76	24	—
Good, but . . .			
Stouffers*	67	31	2
Radisson	56	29	15
Hilton	44	48	8
Sheraton	41	52	7
Just O.K.			
Best Western	18	69	13
Ramada	18	55	27
Howard Johnson	16	54	30
Days Inn*	14	57	29
Holiday Inn	12	70	18
Quality Inns	9	61	30

*Limited response

Respondents indicated they stay most frequently at a Marriott, followed closely by Holiday Inn, Hyatt, Hilton, and Sheraton.

Slicing it up

It is interesting that Westin, which came in first in the quality rating, did not surface as superior in networkers' ratings of individual traits of the chains, as follows:

Food: Marriott and Hyatt were selected the best.

Rooms: As might be expected, a suite hotel, Embassy, came in first. Runners-up: Marriott and Hyatt.

Courtesy: Marriott the easy winner, followed by Hyatt.

Meetings: Marriott and Hyatt again.

Frequent traveller awards: Marriott by a landslide.

Business hotspots

When it came to naming favorite hotels for business travel, the list was as varied as the total number of responses. Hotels in cities from Boise to Shreveport were mentioned, but the following properties received the most votes.

Alexis—Seattle
Four Seasons Clift—San Francisco
Hyatt Union Square—San Francisco
Hyatt Regency—Chicago
Marriott—Chicago
Marriott Harbor Beach—Fort Lauderdale
Park Hyatt—Chicago
Stanford Court—San Francisco
Westin St. Francis—San Francisco

With four San Francisco hotels on the list, it is obvious that the location has much to do with one's choice of a favorite business hotel.

Metro headliners

Readers were also asked to name their favorite individual hotels in major U.S. metros. Here is the first wave of city ratings. We'll cover the rest next month.

Atlanta: Readers liked the Marriotts here, especially the Marquis. The Hyatt Regency and Westin Peachtree Plaza got a lot of votes, followed by the Omni and the Ritz Carlton (downtown and Buckhead).

Boston: Just plain "Marriott" was mentioned most, with the Marriotts at Copley and Longwharf, the Ritz Carlton, and the Westin close behind.

Chicago: Top vote-getters were the Hyatt Regencies Chicago and O'Hare, followed by the Park Hyatt. The Marriotts were the next most popular, and the Hilton, the Ritz Carlton, and the Drake received frequent mentions.

Dallas: The Texas-sized Loew's Anatole won the brand of excellence, with the Hyatt Regency a strong second. Other top picks were the Marriotts, Westin Galleria, and Wyndham Market Center.

Detroit: Motor City hotels received few mentions, meaning that Detroit is either an infrequent stop or that it has a limited selection of quality properties. A small list included the Westin Renaissance Center, the Ponchartrain, and the Hyatt Regency Dearborn.

Los Angeles: Clearly indicative of the sprawl of the City of Angels, networkers named 40 different L.A. hotels as favorites. Marriotts, Westins, and Hyatts topped the list, followed by Hiltons and Sheratons. Most frequently mentioned individual hotels were Westin's Bonaventure and Century Plaza, and Marriott's Marina del Rey.

New York: Pay attention, Big Apple hoteliers. Seven readers wrote in "none" when asked to name a favorite here, and others voted for hotels in New Jersey. Among those who did pick, the Plaza took the prize, with the Grand Hyatt, the Helmsley Palace, and the Hilton tied for second. Also high on the list were Marriott's Marquis and the Essex House.

Send in your travel triumphs and travails to Porch Club, Sales and Marketing Management, 633 Third Ave., New York, NY 10017. Names will be withheld on request.